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Chairman: Mr. TEIRLINCK (Belgium)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.20 a.m.

STATEMENT BY THE UNDER-SECRETARY-GENERAL FOR ADMINISTRATION AND MANAGEMENT

1. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that at the forty-ninth session the Committee would be presented with a series of reports and proposals by the Secretary-General with the common purpose of changing the management culture of the Organization and increasing its efficiency and effectiveness. The elements to be presented included the empowerment of managers through delegation and decentralization, accountability, and increased management training to reflect those responsibilities. The Committee would also have before it a prototype of a new format of the medium-term plan and the proposed programme budget outline for the biennium 1996-1997. Proposals to speed up and enhance the internal justice system would also be submitted.

2. The financial situation of the Organization remained precarious and a matter of much concern. At the end of August 1994 unpaid assessed contributions had exceeded $3.2 billion. The Organization had been compelled to cope with such arrears by delaying payments, notably to Member States which were contributors of troops and equipment to peace-keeping missions, in respect of which the Organization owed about $1 billion to some 70 Member States. While recent payments had enabled the Organization to repay part of its debt to such States, any further improvement was dependent on the payment of outstanding contributions. In practice funds were paid out as they came in, which meant that there had been no material improvement in the liquidity of the Organization and that reserves were essentially non-existent and thus inadequate for such urgent situations as peace-keeping missions. There was an urgent need to restore and ensure the continuation of a viable financial base for the Organization.

3. The proposed programme budget outline for 1996-1997 reflected the intention to change the management culture of the Organization by using the budget to drive the way programme managers made efficient use of resources. The budget outline had been prepared with negative growth on a minimum requirements basis, taking into account anticipated benefits from restructuring, technological advances and other sources. It was the intention of the Secretary-General in preparing the budget for 1996-1997 to identify further efficiency gains. It was hoped that economies of some $15 million might result. The Committee for Programme and Coordination had recommended that the General Assembly should consider the preliminary estimates of resources contained in the outline, bearing in mind that all mandated activities should be implemented.

4. The three cardinal principles of transparency, responsibility and accountability would guide the Secretariat vis-à-vis Member States. The prototype of a new format of the medium-term plan was one of the measures taken to facilitate intergovernmental debate on the overall direction of the Organization, to link organizational and programmatic structures more clearly and to promote accountability and responsibility. The medium-term plan would

become the strategic document of the Organization and would state fully what was to be accomplished. The new format reflected a greater unity of purpose, clearer lines of responsibility and greater managerial accountability.

5. The new system of accountability and responsibility outlined in document A/C.5/49/1 was intended to promote decentralized responsibility by assisting programme managers in achieving the Organization's strategic objectives and executing its mandates. The aim was to increase effectiveness and efficiency while improving performance, productivity and the quality of services provided. The system would extend well beyond senior management to encompass all aspects of the Organization's operations.

6. The system was based on the premise that responsibility for achieving strategic imperatives must be clearly defined, as must reporting lines and procedures and channels of communication. Mandates and directives, organizational and statutory frameworks and what was expected of the staff must all be clear.

7. Programme managers must fully understand their authority in order to carry out their responsibilities effectively. Senior managerial staff must be routinely provided with full information regarding available resources. A balance must be struck between central control and monitoring and the requirements of programme managers, who must be empowered to make decisions on the use of resources and programme implementation at their level.

8. Accountability must then be established at all levels through appropriate mechanisms. Management plans with clear objectives, critical success factors and achievement measurement standards linked to improved reporting procedures had been introduced. Staff accountability for the delivery of outputs and services, both quantitatively and qualitatively, would be required, and organizational oversight machinery was being strengthened.

9. The Committee for Programme and Coordination had endorsed the report on the new system, and it would soon come before the Advisory Committee and the Fifth Committee.

10. The new system of accountability and responsibility would also affect procurement. In that connection a review of procurement procedures at Headquarters, for peace-keeping and field operations, and in the field, would shortly be conducted by an independent high-level group of experts. The group would then make recommendations providing a basis for a more responsible and coherent procurement policy for peace-keeping operations and other field missions.

11. Consideration by the Committee of the report of the Secretary-General on the restructuring of the United Nations Secretariat would provide an opportunity to review the restructuring that had occurred over the past two years. Restructuring was an ongoing process rather than an event, in which periods of reform must alternate with phases of consolidation. The aim of restructuring was to improve the Organization's ability to meet the objectives and priorities

of Member States while introducing simpler, streamlined structures to support the Organization in meeting those objectives. It was in the light of those priorities that the new structures should be evaluated. In determining whether the restructured Organization was better suited to the needs of Member States, the guidance of the latter was crucial.

12. The aim of restructuring in the political and humanitarian sectors had been to streamline the Secretariat and enhance the Organization's capacity for preventive diplomacy, peacemaking and peace-keeping, and to respond effectively to emergencies. The Department of Humanitarian Affairs had thus been established through the consolidation of several offices, and electoral assistance functions had been placed under the Department of Peace-keeping Operations.

13. In the economic and social sectors the aim had been to promote unity of purpose and enhance the coherence of United Nations programmes; to define more clearly development and cooperation tasks to be carried out by the United Nations system; and to obtain a more rational distribution of responsibility between Headquarters and other offices, and between global, regional and field structures. Lastly it had been intended to establish clear lines of responsibility and to eliminate duplication. Accordingly the Departments for Policy Coordination and Sustainable Development, Economic and Social Information and Policy Analysis, and Development Support and Management Services had been established around three clusters of functions. The Administrator of the United Nations Development Programme would assist in the coordination of policy and of operational activities.

14. The thrust in administration and management had been to achieve an integrated, streamlined Department of Administration and Management with clear lines of responsibility. That had been achieved, with a corresponding reduction in senior posts. Oversight functions in the Organization had also been better integrated and strengthened through the establishment of the Office for Inspections and Investigations and the Office of Internal Oversight Services.

15. Of the various reports on personnel issues, that on human resources management in the Secretariat was particularly important in terms of establishing a new management culture. Human resources planning must be tied to strategic planning, and there was a need to develop a culture that would encourage staff members to contribute to their maximum potential. The new performance appraisal system, to be introduced in 1995, was another essential component for better management. The system would introduce work planning and work-plan based performance appraisal.

16. The human resources management report would also propose an agreed terminations programme with the aim of giving the Organization flexibility to determine staffing needs. Further decentralization of human resources management away from the Office of Human Resources Management (OHRM) was envisaged in order to eliminate unnecessary and time-consuming clearances and allow OHRM to focus on such areas as career planning and performance appraisal.

17. The Committee would also have before it a report on reform of the internal system of justice, containing proposals intended to make the internal justice machinery more responsible, simpler and faster. The role of the United Nations Administrative Tribunal as the forum of last resort would not be affected.

18. The Committee would also consider reports on misappropriated funds and independent audits. While there was no fundamental problem in those areas, and a good control system was in place, compliance was uneven and should be improved. A report would also be submitted transmitting information from subsidiary organizations and programmes on implementation of the recommendations of the Board of Auditors for the bienniums 1990-1991 and 1992-1993.

19. The Secretariat was doing its utmost to issue the numerous budgetary documents for individual peace-keeping operations for timely review. Nevertheless the task was very time-consuming since the budgets were required to be prepared with substantial, often excessive, details. The Committee should consider more simplified budgets that focused on the information needed to make decisions. The Committee would also have before it a report on the planning, budgeting and administration of peace-keeping operations. One of the most difficult problems in budgeting for peace-keeping operations, with their crucial timing, was that of cash flow. The long budget review and approval process and late payments by Member States made it extremely difficult financially to initiate new missions or to extend ongoing ones. Moreover, a simplified methodology for the use of the peace-keeping support account, used to support backstopping activities for peace-keeping operations, must be devised. Peace-keeping could not function in the field without adequate support from Headquarters.

20. While the Secretariat had a responsibility to provide all necessary information to facilitate decision-making, and while it was receptive to criticism, it was not efficient to have that process repeated in different forums.

21. In its consideration of the report of the Committee on Conferences, the Fifth Committee would note that several world conferences were proposed for 1995. The Secretary-General would submit a consolidated statement relating to the number and costs of scheduled special conferences.

22. The Fifth Committee, in common with other Main Committees, had expressed concern over several years at the chronic delays in the issuance of pre-session documentation. It had become apparent that a major cause of delay was that demand for documents had exceeded the capacity of the units involved, in the Office of Conference and Support Services and in originating departments. The Committee on Conferences had thus recommended that discussions should take place in on efforts to reduce documentation. The support of the Fifth Committee was needed in that regard.

23. The Committee on Conferences had also reviewed a report on the organization, management and human resources requirements for the provision of adequate conference services, and its recommendations had been taken fully into

account by the Department of Administration and Management. The final report would propose the establishment of performance indicators that would encompass quality, timeliness, accountability and cost-efficiency and would seek to improve estimates of actual demand for services. Efforts would also be made to develop a cost accounting system to provide better information on the real costs of conference servicing.

24. The Committee would review the latest progress report on the Integrated Management Information System (IMIS), as well as a revised budget providing for additional resources for IMIS, estimated at $7 million. The Committee should note that the proposed budget had no margin to absorb any unexpected costs in conjunction with implementation at offices away from Headquarters. The implementation of IMIS was forcing the Organization to face up to the unsatisfactory state of its personnel records, neglected for years, and the situation away from Headquarters might well be worse than in New York. Nevertheless rapid progress was being made in the personnel and finance areas, and it should soon be possible to monitor on a real-time basis the utilization of staff and posts at Headquarters.

25. Regarding the safety and security of United Nations personnel, he noted that the conditions under which staff operated and the level of risk considered acceptable had worsened. United Nations system personnel were increasingly required to perform their functions in extremely hazardous conditions, and 47 staff members had been killed since 1992. The United Nations system must improve security conditions. Training must be improved and must be designed to reduce the exposure of staff to unnecessary risk. While security did not come cheaply, staff could not be expected to serve under conditions of war and armed conflict without appropriate tools and protection to keep them alive.

AGENDA ITEM 112: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (A/49/11, A/49/400 and Add.1)

26. Mr. ETUKET (Chairman of the Committee on Contributions), introducing the Committee's report on the work of its fifty-fourth session (A/49/11), drew attention to the draft resolution in paragraph 60, which the Committee recommended to the General Assembly for adoption. The draft resolution contained a proposed new scale of assessments for the years 1995, 1996 and 1997 and provided for a further review of the new scale by the Committee in 1997.

27. The proposed new scale had been prepared by the Committee in accordance with its mandate as set out in rule 160 of the rules of procedure of the General Assembly and in conformity with General Assembly resolution 48/223 B. It reflected a 50 per cent phase-out of the effects of the scheme of limits on a country-by-country basis, spread over the three years of the scale.

28. Annexes II.A and III.A of the report showed adjustments to the national income averages for the two statistical base periods 1986-1992 and 1985-1992 and the resultant machine scales. Columns 8 through 10 of the two annexes added up to less than 100 per cent because some points remained unallocated on account of the 15 per cent limitation on allocation of additional points resulting from the

50 per cent phase-out of the effects of the scheme of limits to developing countries benefiting from its application, in accordance with General Assembly resolution 48/223 B, paragraph 2.

29. In order to obtain a scale adding up to 100 per cent and prepared on the basis of the average of two machine scales, the corresponding points on the two scales for each country were averaged and the unallocated points distributed, on a pro rata basis, among countries which were not subject to the ceiling, were not least developed countries and were not developing countries benefiting from the 15 per cent provision.

30. The national income data used in the preparation of the proposed scale had been provided to the United Nations Statistical Office by Member States and non-member States. In the case of certain countries for which national income data were not available, per capita income averages for neighbouring countries had been used. Similarly, estimates of real growth rates computed by the Economic Commission for Europe had been used in the case of the five countries formerly part of Yugoslavia.

31. The exchange rates which the Committee had applied were those specified in General Assembly resolution 46/221 B, paragraph 3 (b). In response to representations from Member States, the Committee had reviewed and, where appropriate, modified statistical information, but had been unable to address the political and legal issues raised in connection with the scale.

32. The Committee had noted some complexities and ambiguities inherent in the use of multiple sources and types of exchange rates, and in the increasing effect of money speculation on market exchange rates, and would address those issues at its next session in the context of its review of the methodology with a view to establishing well-defined criteria for converting national income data to United States dollars. The effect of the application of the scheme of limits, even in the form mandated by General Assembly resolution 48/223 B, would remain a concern to some Member States until the scheme of limits had been fully phased-out in accordance with paragraph 1 (f) of that resolution.

33. With regard to the 50 per cent phase-out of the scheme of limits, the Committee had explored both a global phase-out through broadening of the scheme's parameters and a country-by-country phase-out through reducing 50 per cent of the scheme's effect on each country. The latter approach had been preferred because it avoided distortions in the rates for individual countries and made for greater transparency.

34. The main difficulty in making a choice between the one-step phase-out and the three-step phase-out of 50 per cent of the effect of the scheme of limits was to balance the interests of those Member States whose rates of contribution would decrease under the proposed scheme and those whose rates would increase. In the opinion of the Committee, a three-step phase-out would not necessitate a review of the scale during the scale period and was, moreover, in accordance with rule 160 of the rules of procedure of the General Assembly.

35. The Committee also recommended that the application of General Assembly resolution 48/223 B, paragraph 2, should be limited to developing countries which currently benefited from the scheme of limits but whose rates in the proposed scale would increase.

36. Finally, the Committee also recommended new rates of assessment for non-member States. Since the proposed rates fell within the parameters of the scheme of limits, they would remain unchanged in the years 1995, 1996 and 1997.

37. Mr. LIPATOV (Ukraine) said that his country had been one of the States most affected by the inequitable redistribution of the assessment of the former Soviet Union. As a result of General Assembly decision 47/456, Ukraine's rate of assessment had risen by over 50 per cent and, in view of the continuing economic crisis it was facing, was beyond its capacity to pay. Ukraine was currently in the third place among the major debtor countries, having contributions of some $170 million outstanding. The assessment rate established in 1992 had thus become an obstacle to the full participation of his country in the activities of the United Nations and its specialized agencies.

38. The assessments of some other Member States were similarly distorted. There was a need, therefore, to exclude obsolete and unrealistic components of the methodology for determining assessments so as to apportion the expenses of the Organization on an economically sound basis. That understanding of the problem had been reflected in General Assembly resolution 48/223, which had been intended to enable the Committee on Contributions not only to make substantial progress in resolving the problem of the excessive rates of assessment of Ukraine and some other Member States but also to restore overall fairness in the apportionment of the expenses of the Organization.

39. On the basis of rule 160 of the rules of procedure of the General Assembly, Ukraine had twice appealed to the Committee on Contributions to determine an assessment rate that would reflect that country's capacity to pay. Moreover, his Government had expected that, in accordance with paragraph 3 of resolution 48/223 B, the Committee would take the specific circumstances being faced by Ukraine into account in determining its rate of assessment for the years 1995-1997. In that context, his country had argued that its assessment and the assessments of Belarus and a number of other countries should be based on the non-discriminatory rates of assessment that had been determined in General Assembly resolution 46/221. The Committee had, however, ignored the specific circumstances of Ukraine and had thus failed to carry out the mandate set forth in resolution 48/223 B, paragraph 3. Consequently, the recommended rate of assessment for his country far exceeded its capacity to pay.

40. In addition, resolution 48/223 provided that the scheme of limits should be phased out over two scale periods, with half of the effect being eliminated in the first period and the remainder in the second. That had been consistent with the General Assembly's concern to eliminate as soon as possible the distortions in the applicable scale of assessments; it was therefore surprising that the Committee should attempt to hamper that process by introducing a three-step

phase-out of the effects of the scheme of limits that was not compatible with resolution 48/223 B.

41. He hoped that the Fifth Committee would adopt a scale of assessments for 1995-1997 which would expedite the introduction of a system of assessment that was consistent with Member States' capacity to pay. That would not only meet the wishes of a large group of Member States and make it possible to solve the problem of the excessive rate of assessment of Ukraine but would also meet the needs of the United Nations itself by enabling more of its Members to fulfil their financial obligations and so lead to an early improvement in the Organization's financial situation. His delegation therefore urged the Fifth Committee to adopt the assessment rates recommended by the Committee on Contributions for 1997 as the basis for the apportionment of the expenses of the United Nations for the whole of the period 1995-1997.

42. Mr. SINGH (India) said that, in the view of his delegation, the proposals made by the Committee on Contributions for reforming the existing methodology for determining the scale of assessments were generally in line with the spirit of General Assembly resolution 48/223 and should be adopted by the Fifth Committee.

43. His delegation was aware that the manner in which the Committee on Contributions had dealt with the issue of the phasing out of the scheme of limits had not fully met the expectations of some Member States and sympathized with the countries of the former Soviet Union and other Eastern European countries which were having difficulties in paying their contributions to the United Nations as a result of the unjustifiably high rates of assessments they had been called upon to pay at a time when their economies were in transition. The partial abolition of the scheme of limits would improve the situation, but those countries would not immediately obtain the full benefits under the phasing out of the scheme recommended by the Committee on Contributions. On balance, however, his delegation considered that the Committee on Contributions had reached a reasonable compromise in its final recommendation that the effects of the partial phasing out of the scheme should be spread over a three-year period and he hoped that the General Assembly would approve the Committee's recommendations.

44. In recent years there had been requests for a review of the methodology for apportioning the expenses of the United Nations. The current methodology was the result of the collective experience of Member States over the past half century and it had therefore stood the test of time. There were, however, areas that could be improved and his delegation was ready to cooperate with others in reviewing the methodology so that it reflected more effectively the implementation of the principle of capacity to pay. Since the scale of assessments represented a delicate political balance, his delegation felt that it was important to adopt a consensual approach in refining the methodology.

45. While the national income of a country was the starting-point for determining its capacity to pay, such factors as per capita income, external debt burden and availability of foreign exchange were critical in reflecting

that principle more precisely. His delegation also felt that the concept of purchasing power parity had serious shortcomings, as the International Monetary Fund itself admitted, a fact which made it inappropriate for use in the context of the United Nations. His delegation was also unconvinced by the arguments in favour of an annual recalculation of the scale of assessment. While such a measure would render the scale more accurate technically, it might have implications on the ability of Member States to secure budgetary approval from their legislatures in time and would not be conducive to the stability and predictability of levels of assessment which were ensured by the current practice of determining the scales for three-year periods.

46. His delegation supported the proposal, which had been agreed in principle at the forty-eighth session of the General Assembly, to establish an ad hoc body to study the implementation of the capacity to pay but if such a body were to produce useful recommendations its mandate would have to be carefully defined. The exercise should focus on improving the methodology with a view to reflecting more effectively the fundamental principle of capacity to pay and should be confined to the methodology for the regular budget since the idea for such an exercise had arisen in the context of resolution 48/223. Although it would not be possible, in the interest of efficiency, for all Member States to be represented in the ad hoc body his delegation felt that a broad membership was important and that the members should therefore be appointed by the President of the General Assembly in accordance with the principle of equitable geographical representation.

47. In conclusion, his delegation hoped that the recommendations of the Committee on Contributions with regard to the new scale for 1995-1997 would be adopted by consensus in accordance with the established practice.

48. Mr. GOLOVATY (Russian Federation) said that the equitable apportionment of expenses among Member States in strict compliance with the principle of capacity to pay was crucial to the financial health of the Organization. General Assembly resolution 48/223 B, adopted by consensus, had given the Committee on Contributions a clear mandate to develop a more transparent methodology which would better reflect Member States' capacity to pay. Regrettably, the Committee had only partly followed the recommendation for a 50 per cent phase-out of the effects of the scheme of limits. Instead of recommending one scale for the three-year period 1995-1997 as requested, the Committee had in fact recommended a separate scale for each of those years. He doubted that such a procedure was consistent with rule 160 of the rules of procedure of the General Assembly, since the implication, given a subsequent phase-out of the scheme of limits, was that there would be six scales in six years, or two scale periods.

49. In 1992, the Russian Federation had agreed to the rates of assessment proposed by the Committee on Contributions on the understanding that they were transitional and that the gap between them and Member States' capacity to pay would be closed when the scale of assessments for 1995-1997 was being constructed. The proposal was now to prolong that process by another three, if not six, years. He disagreed with the assumption, referred to in paragraph 20 of the Committee's report (A/49/11), that developing countries would be better

served by a six-step phase-out of the scheme of limits. The multiple step phase-out was highly beneficial to but a few developed countries. Moreover, the approach now recommended was inconsistent with what had been regarded as the Committee's serious intention to change the methodology before constructing a new, more equitable scale. The Russian Federation could not, therefore, agree with the Committee's recommendation in paragraph 60 of its report. Paragraph 19 of the report provided a more appropriate frame of reference, notably with the option of a one-step 50 per cent phase-out in 1995. Such an approach was a sound basis for a consensus position and was fully compatible with the spirit of General Assembly resolution 48/223 B.

50. Mr. CHAVES (Kyrgyzstan) expressed full support for the statements made by the representatives of Ukraine and the Russian Federation. Kyrgyzstan was one of the 15 States which had made a joint submission on 4 October 1994, in which they argued that the scale of assessments was unfair to many countries and did not reflect their capacity to pay. The fact remained, however, that despite continual attempts over the years to resolve the Organization's financial problems, there were still Member States that were unable to pay their contributions, whatever the assessment system, on account of an economic situation that was often affected by factors beyond their control, such as natural disasters. Kyrgyzstan consequently invited the Committee to consider the possibility of finding other ways of financing the United Nations, and to take all necessary steps to involve private initiative and non-governmental sources in financial support for the Organization. The creation of an endowment fund of $30 billion would provide funds that did not depend on Member States' contributions.

51. Mr. JU Kuilin (People's Republic of China) said that the report of the Committee on Contributions and the proposed new scale of assessments basically met the requirements of General Assembly resolution 48/223 B and adequately embodied the principle of Member States' capacity to pay. They could therefore serve as the basis for the Fifth Committee's deliberations at the current session. Capacity to pay remained the fundamental criterion governing the apportionment of the Organization's expenses. Taking national income as the basic factor in measuring Member States' capacity to pay and granting appropriate low per capita income relief was a sound method that had proved its worth over the years. The low per capita income allowance formula should be maintained as the basic element for reflecting the actual capacity to pay of Member States, although the application of other factors should also be further refined.

52. His delegation agreed to the modification of the statistical base period, taking the average of two base periods of seven and eight years respectively, believing, however, that greater stability in the scale of assessments would be achieved through the maintenance of a longer base period.

53. The recommendation of the Committee on Contributions to adopt a country-by-country approach in a 50 per cent phase-out of the effects of the scheme of limits during the three-year scale period 1995-1997 provided a reasonable basis for discussion.

54. While he appreciated the concerns expressed by some countries about the impact of artificial factors on the exchange rate, the complexities of exchange-rate mechanisms stood in the way of a solution satisfactory to all; his delegation respected the views of the Committee on Contributions in that regard. It likewise supported the Committee's efforts to continue to explore the possibility of taking such factors as social and economic indicators into account in formulating the scale of assessments in the future.

AGENDA ITEM 120: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR (A/48/842/Add.1 and Corr.1; A/49/458)

55. Mr. TAKASU (Controller), after drawing attention to a table distributed to Committee members explaining the status of the commitment authority for various peace-keeping operations, introduced the Secretary-General's report on the financing of the United Nations Observer Mission in El Salvador (ONUSAL) (A/48/842/Add.1). In the report, appropriations were requested for the current mandate of ONUSAL, namely from 1 June to 30 November 1994, and also for the liquidation period from 1 December 1994 to 28 February 1995. The previous ONUSAL mandate had extended until the end of May 1994. In resolution 48/243, the General Assembly had authorized the Secretary-General to enter into commitments for the Observer Mission not to exceed $3,895,900 gross, subject to the decision of the Security Council, for the period from 1 June to 15 September 1994, and subject also to obtaining the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for the actual level of commitments. That amount had been indicated as the estimate for the anticipated liquidation of ONUSAL during the period from 1 June to 15 September 1994. Following the extension of the ONUSAL mandate for a six-month period from 1 June to 30 November 1994 and in view of the time required for the review of the Secretary-General's report, the concurrence of the Advisory Committee had been requested, under the procedure for dealing with unforeseen and extraordinary expenses, to enter into commitments in the amount of $8,772,400 gross for the operation of ONUSAL in the four-month interim period from 1 June to 30 September 1994. The Advisory Committee had agreed to that request. Urgent action was required because that financing authority had expired. Accordingly, the Secretary-General was requesting the appropriation of $12,370,600 gross for the period from 1 June to 30 November 1994, inclusive of the amount authorized under the procedure for dealing with unforeseen and extraordinary expenses.

56. An appropriation of $2,698,000 gross had also been requested in the report for the liquidation period from 1 December 1994 to 28 February 1995, but since the submission of the report, the parties concerned, including the Government of El Salvador, had requested the Secretary-General to consider extending ONUSAL's mandate beyond 30 November 1994. As noted in paragraph 6 of its report (A/49/458), the Advisory Committee had been informed of those political developments, as a result of which the Secretary-General would submit a report to the Security Council on the possible extension of the mandate. Following a decision by the Security Council, the Secretary-General would report again to the General Assembly at a later stage of the current session. The Committee was therefore requested to defer consideration of cost estimates for the liquidation

and focus its attention on the financing of the current mandate period, pending the submission of the additional report.

57. In preparing the report on the financing of ONUSAL, the Secretary-General had taken into account all the Advisory Committee's recommendations and observations. The performance report covering the previous mandate period had not yet been issued because of delays in receiving information from the field, but would be available shortly. Information on the status of expenditures as at 31 August 1994 had been submitted, however, and was available in the ACABQ report. The current total outstanding assessment to the ONUSAL Special Account amounted to $23.8 million, a significant improvement over the figure at the time of submission of the report. The precarious situation of the Special Account during the operation of ONUSAL had, however, made it necessary to borrow temporarily from other accounts. The procedures employed in submitting the estimate for the Mission included the use of the support account for peace-keeping operations, which provided a crucial contribution to the financing of backstopping activities of the United Nations Secretariat at Headquarters.

58. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the report of the Advisory Committee on the financing of the United Nations Observer Mission in El Salvador (ONUSAL) (A/49/458). The estimates proposed by the Secretary-General in his report (A/48/842/Add.1 and Corr.1) were based on a number of assumptions some of which might change before the end of the year.

59. In his report, the Secretary-General was requesting an appropriation and the assessment of $12,370,600 gross for ONUSAL for the period 1 June to 30 November 1994. The Secretary-General estimated that $2,698,000 would be required for the liquidation of the Mission during the period ending 28 February 1995.

60. Elections had taken place in El Salvador in March and April 1994, leading to the inauguration of a new President in June 1994. The Secretary-General had previously informed the General Assembly that the Mission would be liquidated before the end of the year. However, owing to delays in the implementation of a number of provisions of the peace agreement, he had requested the Security Council to extend the Mission to 30 November 1994. The estimates under consideration were therefore based largely on the assumption that the liquidation of the Mission would start in November 1994 and be completed by the end of February 1995.

61. As noted by the Advisory Committee in its report, the examination of estimates had been affected by a number of factors. First, the Advisory Committee had been informed that owing to the circumstances described in paragraphs 5 and 6 of the ACABQ report, it was likely that the Mission would again be extended, although not for the full six months and with a reduced presence in the mission area. Because of the political developments in El Salvador, there had been a gradual decrease in the numbers of civilian military observers and civilian police. The bulk of the staff reduction was planned for the period between 1 and 30 November 1994. No performance report

was available for the previous ONUSAL mandate period. In view of the possible extension of ONUSAL, the Advisory Committee had been informed that it was not necessary to consider the cost of liquidating the Mission in the period 1 December 1994 to 28 February 1995. The proposed establishment between 1 June and 30 November 1994 was not based, nor was it justified, on the basis of the most up-to-date operational plan for the Mission.

62. Taking all those factors into consideration, the Advisory Committee would have been justified in recommending deferral of consideration of the estimates. However, as indicated in paragraph 9 of the Advisory Committee's report, that course of action would leave the Secretariat with no legal authority to commit resources for the operation of the Mission.

63. The Committee had therefore examined the estimates and made two types of recommendations, each with its own rationale. The Committee was recommending that an actual amount of $6,330,900 (of $8,772,400 gross committed up to 31 August 1994 with the concurrence of the Advisory Committee) be appropriated and assessed on Member States. The annex to the Advisory Committee's report showed how that amount had been arrived at, using information provided by the Secretariat at the request of the Advisory Committee.

64. The Advisory Committee further recommended that the balance of the remaining commitment of $2,441,500 be retained and that an additional commitment authority of $2,774,700 be authorized, bringing the total commitment authority for the period from September to November 1994 to $5,216,200.

65. The Advisory Committee had attempted to explain as best it could the reasons leading to those recommendations. For example, the adjustment of $823,500 in the commitment authority being recommended for the period ending 30 November was clearly explained in paragraphs 14, 19 and 20 of the Advisory Committee's report. Paragraph 20 summarized the main reasons for the Advisory Committee's recommendations.

66. Finally, in paragraph 4 of its report, the Advisory Committee expressed its concern about the financial situation of the Mission. It should be a matter of concern to Member States that the Mission had had to borrow from the peace-keeping reserve account, which had not been established to provide cash to meet the requirements of ongoing missions. Furthermore, concern should also be expressed over the practice of borrowing from mission accounts which still had liabilities to settle, particularly reimbursements owed to troop-contributing countries.

67. The Advisory Committee had been informed that the reference to UNTAC in paragraph 4 of the Advisory Committee's report was in error; the operation concerned was UNTAG. He said that he would verify the information provided to the Advisory Committee by the Secretariat.

68. Mr. TAKASU (Controller) assured Member States that borrowing from other accounts was resorted to only under emergency conditions. In the case of ONUSAL, a cash shortage had necessitated borrowing funds from the peace-keeping

reserve account. In extreme circumstances, funds were borrowed from the accounts of completed missions, such as UNIIMOG and UNTAG. The Secretariat was extremely conscientious about reimbursing such borrowings, and had so far avoided borrowing from the accounts of ongoing missions. Reimbursement to the troop-contributing countries was a matter of the utmost concern to the Secretariat.

69. Mr. STITT (United Kingdom) said that his delegation was grateful for the note on the status of commitment authorities which had been circulated, but stressed the necessity of adequate and timely documentation. It was neither reasonable nor acceptable for delegations to be expected to take action on documents which were not available in all languages. The dating of documents appeared to be increasingly inaccurate; for example, his delegation had not received the Advisory Committee's report until the morning of the meeting, although it bore the date of "3 October". Updated information on other peace-keeping budgets had routinely been requested over the previous few months; he reiterated the request for such information regarding the ONUSAL budget, and hoped that it would not be necessary to remind the Secretariat of the need for such information on each successive occasion. It was important to have a full and current picture of the status of contributions and cash flow for the ONUSAL account. The Secretariat had indicated that it expected to provide a performance report on that operation within the next few days, and his delegation needed to see that report before it could make any comment on it.

70. Mr. TAKASU (Controller) said that the ONUSAL performance report would be completed before 7 November, but time would be needed to have the report translated and reproduced. He emphasized that since the financial authority for ONUSAL had expired on 30 September, the Mission would have no legal basis to continue. He therefore urged members to focus on the question of the current mandate (running from 30 September to the end of November) in order to provide a legal basis for the Mission's continuing operation.

71. Mr. ELZIMAITY (Egypt) said that in view of the new developments about which the Fifth Committee had been informed, his delegation would need more time to study the question and adopt a position on it. His delegation was concerned over the practice of borrowing from the accounts of other missions, even those that had been completed. It did not favour consideration of the liquidation of ONUSAL in the absence of a political decision by the Security Council, given the possibility of further changes in the mandate in the future. Finally, regarding the disposal of equipment after the completion of the Mission, as mentioned in paragraph 21 of the Secretary-General's report, his delegation wished to know whether the proceeds from the sale of equipment would be used to reimburse troop-contributing countries.

72. Mr. SHARP (Australia) endorsed the position expressed by the United Kingdom representative. His delegation had also been requesting the kind of information on commitment authorities that the Controller had just provided; given the grave condition of the United Nations finances, it would also be useful to receive detailed information on cash flow. While the finances had been seriously strained at the end of August, over a billion dollars had been paid to the

Organization since then and he wished to know what effect the payments received had on the overall financial outlook. His delegation endorsed the comments made earlier by the Under-Secretary-General for Administration and Management concerning the level of detail required for the budgets of peace-keeping operations, but it also emphasized the importance of the timely issue of documentation and the need to allow delegations additional time to consider performance reports.

73. Mr. DAMICO (Brazil) agreed that it was premature to consider the budget estimates for liquidating ONUSAL in the absence of a political decision from the Security Council. His delegation was prepared to heed the Controller's request to focus on the period from September to November.

74. Mr. CHABALA (Zambia) said his delegation trusted that ONUSAL would be successfully concluded, but was greatly concerned over the Mission's precarious financial situation. That situation reflected the general financial malaise of the United Nations, and Member States needed to take steps to restore the financial health of the Organization. His delegation, too, believed that any discussion of the liquidation of ONUSAL would be premature in the current circumstances.

75. The fact that no performance report had been available for the Advisory Committee to consider reflected a more general problem with the availability of documentation. Explanations were needed in that regard. Member States must be provided with all the information they needed to consider the issues before them in a comprehensive and efficient manner.

76. Mr. STITT (United Kingdom), referring to the information on commitment authority circulated by the Controller, requested clarification as to whether five of the operations listed, namely, UNAVEM, MINURSO, ONUSAL, UNOSOM and UNAMIR, were currently running without legal authority.

77. Mr. TAKASU (Controller), replying to the representative of Zambia, said that the preparation of performance reports normally took three months, but more time was occasionally required for the reconciliation information provided from the field and the accounts maintained at Headquarters. In the case of ONUSAL, reconciliation of the value of some of the equipment had taken longer than expected. The ONUSAL mandate had also been extended and the liquidation stage postponed, which had led to delay in finalizing the figures.

78. With regard to the five operations for which commitment authority had expired in September, he said that the ONUSAL and UNAMIR budgets had already been submitted and the approval of the General Assembly was being sought in order to allow the operations to continue. In the case of UNAVEM, MINURSO and UNOSOM, the Advisory Committee had been requested to grant the necessary commitment authority under the provisions of the General Assembly resolution on unforeseen and extraordinary expenses. The Secretary-General had also suggested that savings from the previous period be utilized to carry on UNOSOM until a full budget review took place. The UNOSOM mandate had been extended until

October. The legal basis for those three operations would be established once the Advisory Committee had taken action on the Secretary-General's requests.

79. The equipment referred to in paragraph 21 of the Secretary-General's report was owned by the United Nations and not "contingent-owned" equipment (for which reimbursement procedures had been established). In the past, United Nations-owned equipment in good order at the conclusion of a mission had been redeployed to other missions, or sold if not needed. Income from such sales at the end of the mandate period was treated as income of the operation concerned and credited to all the Member States.

ORGANIZATION OF WORK

80. Mrs. RODRIGUEZ (Cuba) said that it was her understanding that the Chairman intended to send letters to Chairmen of other Main Committees in connection with the report on the restructuring of the Secretariat to elicit their reactions, and to hold informal consultations thereon at an appropriate juncture.

81. The CHAIRMAN confirmed that it was his intention to send a letter to the Chairmen of the Second, Third and Fourth Committees in connection with the report on restructuring. In the course of informal contacts it had already become apparent that the Chairmen of those Committees would be willing to cooperate in the matter. Accordingly he would take it that the Committee authorized him to continue his consultations, on the understanding that replies would be received no later than 31 October 1994.

82. Pursuant to General Assembly resolution 48/222 A, he wished to inform the Committee that the notional cost of processing a standard page of documentation, as indicated in document A/AC.172/INF/15, amounted to $715, while the conference-servicing costs of one hour of meeting time with various services ranged from $1,200 for interpretation in six languages with support services but no written records to $5,530 with interpretation and verbatim records in six languages.

83. Also pursuant to General Assembly resolution 48/222 A, he proposed that statements in general debates on items should not exceed 10 minutes in length and indicated his intention to start and conclude meetings promptly.

The meeting rose at 1.05 p.m.